

Introduced by Senator Ducheny

February 19, 2003

An act to amend Sections 18021.7, 50530.5, and 50545 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 305, as introduced, Ducheny. Housing.

(1) Existing law authorizes the Department of Housing and Community Development to issue a citation assessing a civil penalty on mobilehome, manufactured home, and commercial coach dealers who commit prescribed unlawful acts.

This bill would delete violations relating to allowing the dealer an option to purchase, and include violations relating to advertising of costs, within those provisions authorizing the department to issue citations.

(2) Existing law establishing the Predevelopment Loan Program defines "eligible sponsors" for purposes of the program to include limited liability corporations.

This bill, instead, would refer to those eligible sponsors as limited liability companies.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 18021.7 of the Health and Safety Code
2 is amended to read:
3 18021.7. (a) (1) In addition to other remedies provided in
4 this part, the Director of Housing and Community Development

1 or his or her designee may issue a citation that assesses a civil
2 penalty payable to the department to any licensee who violates
3 Section 18021.5, 18029.6, or 18030, subdivision (b) of Section
4 18032, Section 18035, 18035.1, 18035.2, 18035.3, 18036, 18039,
5 18045, 18045.5, 18045.6, 18046, or 18058, subdivision (a) of
6 Section 18059, subdivision (b) of Section 18059.5, subdivision (c)
7 of Section 18060, subdivision (c) of Section 18060.5, Section
8 18061, subdivision (d), (i), or (j) of Section 18061.5, subdivision
9 (a), ~~or (b), or (c)~~ of Section 18062, subdivision (a), (b), (d), (e), (f),
10 (g), or (h) of Section 18062.2, subdivision (c) of Section 18063,
11 or Section 18080.5.

12 (2) A violation of subdivision (d) of Section 18060.5 is also
13 cause for citation if both the dealer and the manufacturer receive
14 written notice of a warranty complaint from the complainant, from
15 the department, or another source of information, and, at a
16 minimum, the 90-day period provided for correction of substantial
17 defects pursuant to Section 1797.7 of the Civil Code has expired.

18 (3) Each citation and related civil penalty assessment shall be
19 issued no later than six months after discovery of the violation.

20 (b) The amount of any civil penalty assessed pursuant to
21 subdivision (a) shall be one hundred dollars (\$100) for each
22 violation, but shall be increased to two hundred fifty dollars (\$250)
23 for each subsequent violation of the same prohibition for which a
24 citation for the subsequent violation is issued within one year of
25 the citation for the previous violation. The violation or violations
26 giving cause for the citation shall be corrected if applicable, and
27 payment of the civil penalty shall be remitted to the department
28 within 45 days of the date of issuance of the citation. Civil
29 penalties received by the department pursuant to this section shall
30 be deposited in the Mobilehome-Manufactured Home Revolving
31 Fund.

32 (c) Any person or entity served a citation pursuant to this
33 section may petition for, and shall be granted, an informal hearing
34 before the director or his or her designee. The petition shall be a
35 written request briefly stating the grounds for the request. Any
36 petition, to be considered, shall be received by the department
37 within 30 days of the date of issuance of the citation.

38 (d) Upon receipt of a timely and complying petition, the
39 department shall suspend enforcement of the citation and set a time
40 and place for the informal hearing and shall give the licensee

1 written notice thereof. The hearing shall commence no later than
2 30 days following receipt of the petition or at another time
3 scheduled by the department pursuant to a request by the licensee
4 or department if good and sufficient cause exists. If the licensee
5 fails to appear at the time and place scheduled for the hearing, the
6 department may notify the licensee in writing that the petition is
7 dismissed and that compliance with terms of the citation shall
8 occur within 10 days after receipt of the notification.

9 (e) The department shall notify the petitioner in writing of its
10 decision and the reasons therefor within 30 days following
11 conclusion of the informal hearing held pursuant to this section. If
12 the decision upholds the citation, in whole or in part, the licensee
13 shall comply with the citation in accordance with the decision
14 within 30 days after the decision is mailed by the department.

15 (f) Nothing in this section shall be construed to preclude
16 remedies available under other provisions of law.

17 SEC. 2. Section 50530.5 of the Health and Safety Code is
18 amended to read:

19 50530.5. As used in this chapter:

20 (a) “Housing” includes, but is not limited to, manufactured
21 housing.

22 (b) “Predevelopment loan” means a loan for required
23 expenses, other than administrative and construction, which are
24 incurred by eligible sponsors in the process of, and prior to,
25 securing long-term financing for construction, conversion,
26 preservation, or rehabilitation of assisted housing, and which are
27 recoverable once long-term financing is obtained. The purposes
28 for which predevelopment loans may be made include, but are not
29 limited to, the costs of, or the costs associated with, land purchase
30 or options to buy land; options or deposits to buy or preserve
31 existing government-assisted rental housing for the purpose of
32 preserving the affordability of the units; professional services such
33 as architectural, engineering, or legal services; permit or
34 application fees; and bonding, site preparation, related water or
35 sewer development, or material expenses. In addition, the loans
36 may be made for the purpose of extending the time for exercising
37 an option or extending the time period for repayment of an advance
38 previously obtained. These loan funds may be deposited in banks
39 as compensating balances to establish lines of credit for
40 participating nonprofit corporations.

1 (c) “Fund” means the Predevelopment Loan Fund which is
2 replenished continuously by repayments of principal on loans
3 made from the fund.

4 (d) “Land purchase loan” means a loan for the costs incurred
5 by an eligible sponsor in obtaining an option on, or purchasing
6 suitable land for, the future development of assisted housing,
7 including, but not limited to, costs associated with transfer of title,
8 appraisals, payment of property taxes, surveys, and necessary
9 maintenance of the land.

10 (e) “Eligible sponsors” means local governmental agencies,
11 nonprofit corporations, including cooperative housing
12 corporations, and limited liability ~~corporations~~ *companies* or
13 limited partnerships where all of the general partners are nonprofit
14 mutual or public benefit corporations.

15 SEC. 3. Section 50545 of the Health and Safety Code is
16 amended to read:

17 50545. Five million dollars (\$5,000,000) of the funds
18 appropriated for the purposes of this chapter in Item
19 2240-114-0001 of the Budget Act of 2000 shall be transferred to
20 the Rental Housing Construction Fund created pursuant to Section
21 50740 to be used for predevelopment loans pursuant to Chapter 3.5
22 (commencing with Section 50530), subject to the following
23 provisions:

24 (a) All projects shall be located within one-half mile of an
25 existing or planned transit station proposed for development. For
26 these purposes, a transit station is a site where two or more mass
27 transit modes, or one transit mode with three or more mass transit
28 lines, are accessible to the public.

29 (b) Notwithstanding any other provision of law, the department
30 may establish interest rates between 3 and 7 percent based on the
31 department’s analysis of project need.

32 (c) In addition to the activities eligible under the
33 Predevelopment Loan Program, funds awarded pursuant to this
34 section may be used for master environmental impact reports or
35 other environmental documents that would assess potential
36 impacts in advance and propose measures to mitigate negative
37 impacts.

38 (d) Awards made pursuant to this section shall require a 50
39 percent match from the local agency in which the site is located.



1 (e) In addition to those eligible sponsors specified in
2 subdivision (e) of Section 50530.5, eligible sponsors shall include
3 limited liability ~~corporations~~ *companies* and limited partnerships
4 where all managing members or general partners are nonprofit
5 organizations.

O

